weekly economic review

January 10, 2014

Labour Market

Alberta posts strong 2013 despite December dip

Alberta's labour market finished a strong year on a softer note in December. The province shed 11,700 jobs, erasing November's 10,600 gain. However, thanks to jobs created throughout the year, year-over-year job growth in Alberta continued to lead the country at 3.3% last month. For the year, employment growth accelerated from 2.7% in 2012 to 2.9% in 2013. Only Saskatchewan (3.4%) had stronger job growth last year.

The unemployment rate averaged 4.6% in 2013 for the second straight year, despite stronger employment growth. In December, the unemployment rate inched up to 4.8% from 4.7% in November.

In the Canadian labour market, job creation has fizzled, with 45,900 jobs shed last month. Ontario alone lost 39,300 jobs. For the year, job growth was a modest 1.3% in 2013. The national unemployment rate now stands at 7.2%, the highest since July.

International Trade

Exports rally

Exports continued to perform well late into 2013, with the fifth consecutive month of strong growth in November. Exports grew by 10.7% year-over-year (y/y), fuelled by robust growth in energy products (+13.6%). Basic & industrial chemical, plastics, and rubber products experienced slightly subdued growth compared with earlier in 2013, increasing 3.6% over the same month in 2012.

Building Permits

Construction activity remains strong

The value of permits rose on a year-over-year basis for the eleventh consecutive month in November, climbing 3.3% y/y. Residential permits climbed 18.4% y/y, offsetting the 13.1% slide in non-residential permits. The drop in non-residential permits was entirely due to a decline in the institutional sector.

National permit values climbed 5.4% over November 2012 on stronger numbers in the residential sector.

New Housing Market

Edmonton leads housing starts

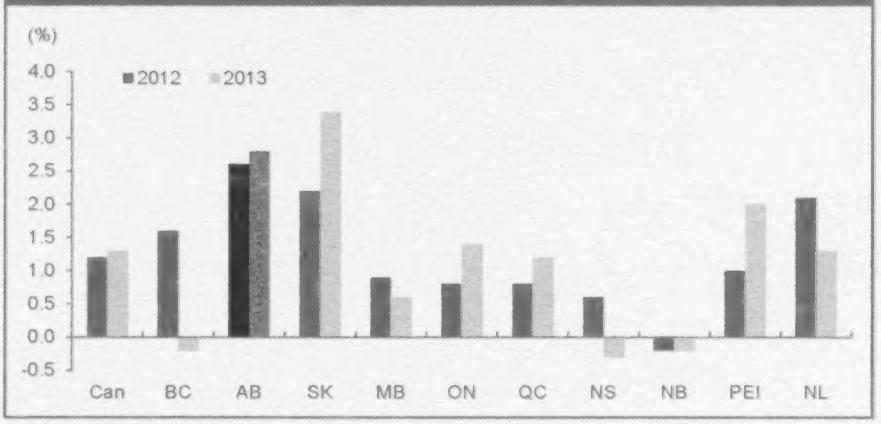
Alberta housing starts hit 36,200 in December, a drop from 43,700 recorded in November. A contributing factor for the decline was a drop in multi-unit starts in Calgary. Conversely, Edmonton recorded its highest number of housing starts in six months (15,800 units). Nationally, housing starts hit 189,700 down 5.4% y/y.

For the year, Alberta bucked the national slowing trend in housing starts, growing 8.2% in 2013, compared with a 12.7% decline for Canada as a whole.

Calgary leads growth in new home prices

Alberta's new housing price index grew 3.1% y/y in November, second only to Manitoba. The national average increased 1.4%. Alberta's increase was due mostly to strong price increases in Calgary, where the index was up 6.5%.

Annual Employment Growth



Source: Statistics Canada

Closing Price	Jan 2, 2014	Jan 9, 2014	2013-14 Fiscal YTD
Canadian Dollar (US¢/$CAN)	94.05	92.16	96.33
WTI Oil ($US/bbl)	95.44	91.66	99.02
NYMEX Natural Gas($US/MMBtu)	3.87	4.01	3.82

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Alberta Economic Indicators

Population	2011	2012	2013YTD	July	Aug	Sept	Oct	Nov	Dec
Population (000's)	3,790	3,889	4,025	4,025	..	..	4,061	..	..
y/y % change	1.5	2.6	3.5	3.5	..	..	3.5	..	..
Net Interprovincial Migration[1]	8,443	27,652	52,677	13,791	..	..	10,269	..	..
Net International Migration[1]	19,411	40,842	52,551	20,487	..	..	16,436	..	..
Net Non-permanent Residents[1]	-7,251	10,085	19,560	10,472	..	..	8,213	..	..
Labour Market									
NEW! Employment (000's), SA	2,094	2,149	2,211	2,217	2,232	2,236	2,237	2,248	2,236
y/y % change	3.8	2.6	2.9	3.0	3.6	3.7	3.5	3.6	3.3
NEW! Unemployment Rate (%), SA	5.5	4.6	4.6	4.5	4.8	4.3	4.4	4.7	4.8
NEW! Participation Rate (%), SA	73.7	73.4	73.0	73.0	73.6	73.1	73.0	73.4	72.9
Average Weekly Earnings ($), SA	1,035.75	1,072.98	1,105.90	1,103.08	1,110.83	1114.95	1125.60	..	..
y/y % change	4.4	3.6	3.2	2.1	0.8	2.6	3.2	..	..
Price Indices									
Consumer Price Index (y/y % change)	2.4	1.1	1.4	2.2	1.4	1.3	1.0	1.7	..
Excluding food and energy	0.8	1.4	1.4	1.9	1.6	1.5	1.6	1.5	..
Non-Res Building Cons. Price Index[2] (y/y % change)	3.4	3.8	1.2	..	..	1.2	..	..	..
Farm Product Price Index (y/y % change)	18.1	6.3	4.4	4.6	2.5	2.5	..	..	..
Crops	19.0	6.7	4.7	2.5	-4.2	-6.0	..	..	..
Livestock	17.2	5.9	3.9	6.9	7.0	10.0	..	..	..
Household Sector									
NEW! Housing Starts (SAAR, 000's)	25.5	33.3	36.1	35.7	29.3	31.2	38.1	43.7	36.2
y/y % change	5.0	30.7	8.2	6.9	-1.0	-8.2	14.2	9.6	18.8
NEW! New Housing Price Index[3] (y/y % change)	0.4	1.6	2.8	3.0	3.3	3.1	3.0	3.1	..
Edmonton	0.9	0.9	0.5	0.6	0.8	0.2	0.3	0.0	..
Calgary	-0.1	1.7	5.3	5.8	6.1	6.3	6.1	6.5	..
MLS Average Resale Prices ($ 000's)	352.7	362.0	379.3	378.7	387.2	382.7	380.7	387.7	..
y/y % change	0.5	2.6	5.0	4.9	6.6	7.3	3.8	5.0	..
Edmonton ($ 000's)	324.2	332.7	342.4	340.4	347.5	346.9	339.3	346.1	..
y/y % change	0.7	2.6	3.1	2.9	4.2	7.7	1.5	2.4	..
Calgary ($ 000's)	401.9	410.8	435.5	438.7	440.8	436.5	439.7	449.0	..
y/y % change	1.1	2.2	6.5	6.8	7.8	8.6	4.5	7.5	..
Retail Sales, SA (y/y % change)	6.8	6.9	6.5	6.4	5.8	6.4	6.6	..	..
New Motor Vehicle Sales (y/y % change)	9.6	10.5	6.2	6.5	7.0	2.1	6.5	..	..
Consumer Bankruptcies	7029	5759	4082	385	379	375	383	..	..
y/y % change	-13.8	-18.1	-18.4	-21.3	-16.5	-10.9	-11.3	..	..
Business Sector									
Rigs Drilling	286	250	235	187	239	251	239	233	259
y/y % change	30.4	-12.6	-5.9	-5.9	7.0	9.6	1.0	-9.8	-9.9
Goods Exports, customs based (y/y % change)	18.4	2.9	6.8	9.1	7.6	16.6	19.0	..	..
Energy	19.2	3.6	9.2	11.1	12.6	25.7	26.1	..	..
Farm, Fishing and Intermediate Food	27.2	20.6	-7.7	1.8	-24.2	-27.5	-14.8	..	..
Farm Cash Receipts (quarterly, y/y % change)	16.7	14.1	2.1	..	..	3.4	..	..	..
Manufacturing Shipments, SA (y/y % change)	17.3	3.4	1.3	3.7	8.4	-1.9	6.8	..	..
Wholesale Trade, SA (y/y % change)	14.7	10.9	2.5	2.5	1.9	1.8	4.9	..	..
NEW! Building Permits, SA (y/y % change)	11.8	14.8	19.2	50.4	1.1	29.9	22.3	3.3	..
Residential	5.2	18.2	18.6	29.1	-5.9	39.5	37.6	18.4	..
Non-residential	20.9	10.7	20.0	79.7	12.3	14.7	2.4	-13.1	..
Business Bankruptcies	264	230	115	9	7	13	15	..	..
y/y % change	30.2	-12.9	-42.2	43.8	-30.0	-38.1	-16.7	..	..

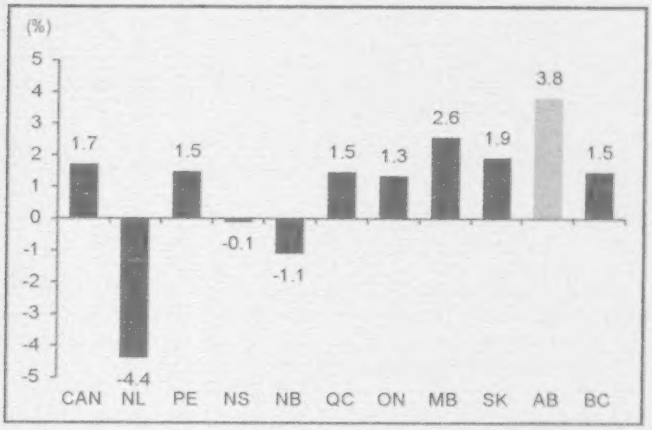
1 Quarterly; annual numbers are presented on a census year basis (July 1– June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate

Sources: All data are from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada).

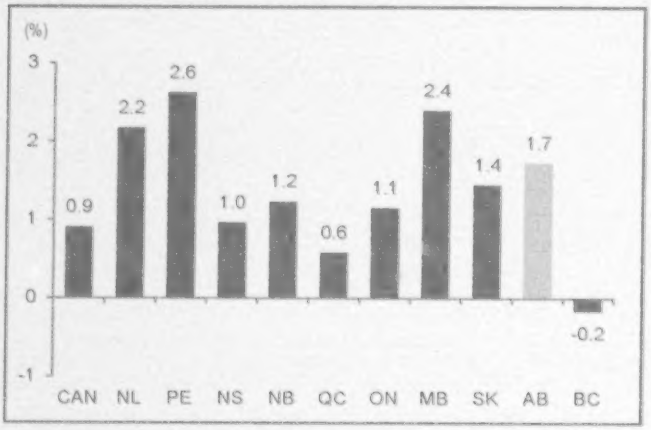
All historical data are subject to revision.

Economic Indicators by Province

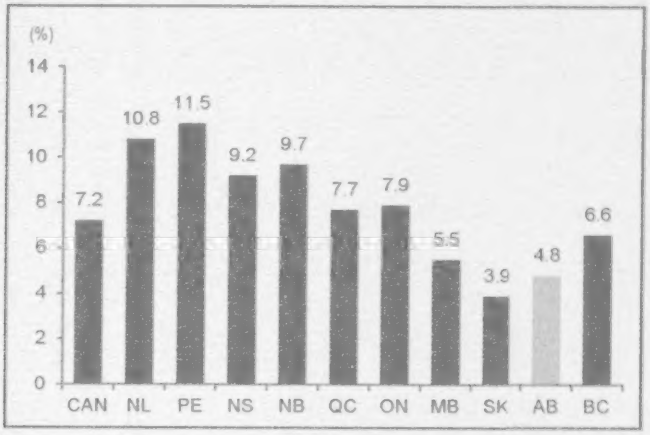
Real GDP at Market Prices
(2012, year-over-year growth)



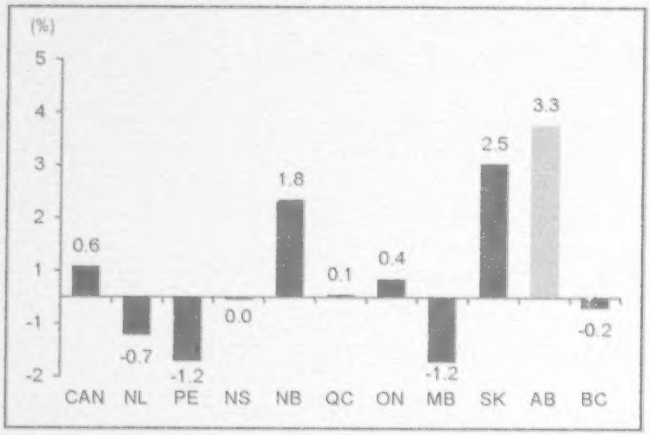
CPI Inflation
(November 2013, year-over-year growth)



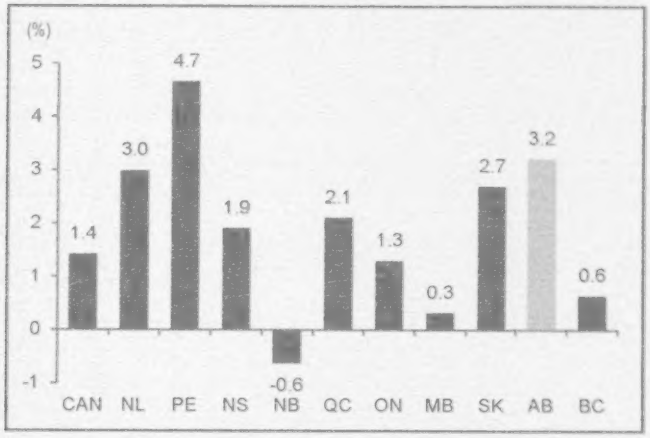
Unemployment Rate
(December 2013)



Employment
(December 2013, year-over-year growth)



Average Weekly Earnings
(October 2013, year-over-year growth)



Housing Starts
(December 2013, SAAR, year-over-year growth)